



RELATED PARTY TRANSACTIONS POLICY
[IN TERMS OF REGULATION 23 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]

1. INTRODUCTION

The Policy ('Policy') for Materiality of Related Party Transactions and dealing with Related Party Transactions is framed in accordance with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Companies Act, 2013 ('The Act') and rules made thereunder, both as may be amended and applicable from time to time. This Policy shall regulate all transaction(s) between the Company and its Related Party(ies).

The Board of the Company has adopted this Policy and modified this policy to comply the requirements of amendments to the Listing Regulations. The revised policy has been adopted by the Board of Directors at their meeting held on February 12, 2024.

2. OBJECTIVES

This Policy is intended to ensure the proper approval and reporting of transaction(s) between the Company and its Related Party(ies). This Policy deals with the following:

- (a) Identification of Related Parties and Related Party Transactions;
- (b) Approval of Related Party Transactions as per the applicable provisions of the Act and the SEBI Listing Regulations and accounting standards prescribed under Section 133 of the Act ("Ind AS");
- (c) Disclosure of related party transactions as per Ind AS, the Act, the SEBI Listing Regulations and any other applicable law.

Such transactions shall be appropriate only if, they are in the best interest of the Company and its shareholders

3. DEFINITIONS

- a) 'Act' means the Companies Act, 2013 and the rules made thereunder, as amended from time to time.
- b) 'Annual Consolidated Turnover' is defined as Total Income (i.e. interest earned plus other income) of the Bank as per last audited Annual Consolidated Financial Statements of the Bank.
- c) 'Arm's Length Transaction' means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

- d) **‘Audit Committee’ or ‘Committee’** means the committee of the Board of Directors of the Company constituted as per the provisions of the Act and the SEBI Listing Regulations.
- e) **‘Board’ or ‘Board of Directors’** means members of board of directors of the Company.
- f) **‘Company’** means TARC Limited.
- g) **‘Director’** means a director on the Board of the Company.
- h) **‘Interested Director’** means a Director who is in any way, whether by himself or through any of his relatives or firm, body corporate or other association of individuals in which he or any of his relatives is a partner, Director or a member, interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of a company.
- i) **‘Key Managerial Personnel’ or ‘KMP’** in relation to a company, means:
- (i) the Chief Executive Officer or the Managing Director or the Manager;
 - (ii) the company secretary;
 - (iii) the whole-time director;
 - (iv) the chief financial officer;
 - (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - (vi) such other officer as may be prescribed under the Act.
- i) **‘Material Related Party Transaction’** means a transaction with a Related Party if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent (10%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.
- A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent (5%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- j) **‘Material Modifications’** means A modification to the Related Party Transaction shall be considered material where the value involved or the impact of an event exceeds -
- 2% of the total income of the Company as per the last audited consolidated financial statements
 - or
 - 5% of the net worth of the Company as per the last audited consolidated financial statements
- whichever is lower.

- k) **‘Meeting of Board Rules’** means the Companies (Meetings of Board and its Powers) Rules, 2014, as amended, from time to time.
- j) **‘Omnibus Approval’** means Omnibus Approval as stated in clause 5 of this Policy made in line with Rule 6A of Meeting of Board Rules and Regulation 23 of SEBI Listing Regulations.
- k) **“Policy”** means Related Party Transaction Policy
- l) **“Relative”** means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under:
- m) **‘Related Party’** means a related party as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations.
- n) **‘Related Party Transaction’ or ‘RPT’** means a transaction involving a transfer of resources, services or obligations between:

- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- (ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries,;

regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
- i. payment of dividend;
 - ii. subdivision or consolidation of securities;
 - iii. issuance of securities by way of a rights issue or a bonus issue; and
 - iv. buy-back of securities.
- (c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Securities and Exchange Board of India:

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);

- o) **‘Stock Exchanges’** means BSE Limited and National Stock Exchanges of India Limited, where shares of the Company are listed.

Words and expressions not defined in this Policy shall have the same meaning as defined in the Act, the SEBI Listing Regulations and any other applicable laws or regulations.

4. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION(S)

- i. All related party transaction(s) and subsequent material modifications shall be pre-approved by the Audit Committee in accordance with this Policy. Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval. However, the Audit Committee may grant Omnibus Approval for the Related Party Transaction(s) laid down in Clause 5 herein below.

Only those members of the audit committee, who are independent directors, shall approve related party transactions.

- ii. All Related Party Transaction(s) entered into by the company which is not under omnibus approval or otherwise pre-approved by Audit committee, will be placed before the Audit Committee for ratifications.
- iii. The Audit Committee shall also pre-approve Related Party Transactions, where the Company is not a party, but the Company’s subsidiary is a party, if the value crosses the threshold as prescribed under Listing Regulations.
- iv. All Related Party Transaction(s) irrespective of any limit, except in the ordinary course of business or at an arm’s length price, also require approval of the Board. The Board can approve such Related Party Transaction(s) by way of a resolution at a duly held meeting of the Board.

The Board will consider such factors as nature of transactions, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. The Board may approve or require such modifications to transactions as it deems appropriate under the circumstances.

Any Board member who has any interest in any related Party Transaction will abstain himself from discussion and voting on the approval of the Related Party Transaction.

- v. Further, all Related Party Transactions, (i) which are Material as per Regulation 23 of the listing regulations and such Related Party Transaction(s) exceeding the threshold limit mentioned under Rule 15(3) of Meetings of Board Rules or (ii) not in the ordinary course of business or not at arms length price and exceeds certain thresholds prescribed under the Act shall require the prior approval of the Shareholders by a resolution passed by the Shareholders in this regard. In such case, any member of the Company who is a Related Party, irrespective of

being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction

5. OMNIBUS APPROVAL

The Audit Committee after taking approval of the Board may provide Omnibus Approval for Related Party Transaction(s) fulfilling the criteria as mentioned herein below:

- i. The Committee shall satisfy itself the need for such Omnibus Approval for transactions of repetitive nature and that such approval is in the interest of the Company
- ii. The repetitiveness of the Related Party Transactions
- iii. Justification for the need of Omnibus approval
- iv. Such Omnibus Approval shall contain or indicate the name of the Related Party, nature and of transaction, duration of transaction, maximum amount of transaction that can be entered into, the indicative base price/current contracted price and the formula for variation in the price, if any and such other conditions as the Audit Committee may deem fit.
- v. All Related Party Transaction(s) with the Party(ies) may not be foreseen and/or details whereof are not available at the point of time of entering into such transaction(s) may be entered into up to a value not exceeding Rupees One Crore per transaction.

A statement of Related Party Transaction(s) and material modifications thereof entered hereunder into by the Company, shall be placed before the Audit Committee for its review and noting, on a quarterly basis. The Audit Committee shall review the details of Related Party Transaction(s) entered into by the listed entity pursuant to each of the omnibus approvals given.

Omnibus Approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

Omnibus Approval shall not be granted for transactions in respect of selling or disposing of the undertaking of the Company.

Where any Related Party Transaction amounting to not more than Rupees One Crore is entered by a director or officer of the Company without the approval of the Audit Committee, then it shall be ratified by the Committee within 3 months from the date of transaction. In case the Audit Committee does not ratify the above, such transaction shall be voidable at the option of the Committee. In case of Related party transaction to more than Rupees One Crore then it shall be ratified by the Board of the Company.

6. PROCESS OF IDENTIFICATION OF RELATED PARTIES

Each Director and KMP shall disclose to the Company in form MBP-1, at the time of appointment and at the beginning of every financial year and whenever there is any change in the disclosure so made, about any persons, entities, firms in which he/she is interested, whether directly or indirectly.

Each Director and KMP shall be responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction(s) involving a Related Party, including any additional information about the Related Party Transaction in advance so that Board or Audit Committee has adequate time to obtain and review information about the proposed transaction.

7. EXCEPTIONS

Provisions of regulation 23(2), (3) and (4) shall not be applicable in case of :

- transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- transactions entered into between two wholly-owned subsidiaries of the company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

Notwithstanding the foregoing, the following Related Party Transaction(s) shall not require approval of Audit Committee or Board or Shareholders:

- i. Any transaction(s) in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party. For e.g.
 - (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (b) the following corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - i. payment of dividend;
 - ii. subdivision or consolidation of securities;
 - iii. issuance of securities by way of a rights issue or a bonus issue; and
 - iv. buy-back of securities
- ii. Any Related Party Transactions(s) or Transaction(s) with Related Party(ies) or Related Party(ies) which are exempted from such noting, approval etc, by or under the Act and/or SEBI Listing Regulations, shall also be exempted under this Policy and Company may enter into such Related Party Transaction(s) accordingly.

8. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee, the Company would obtain post facto approval from the Audit Committee, the Board and/or shareholders. The Committee shall

consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction.

9. AMENDMENT

The Policy shall be reviewed by the board of directors at least once every three years and updated accordingly or as and when considered appropriate, after getting recommendation from Audit Committee as and when any changes is considered appropriate by the Committee.

10. DISCLOSURE OF THE POLICY

The Policy shall be uploaded on the website of the Company.

11. COMPLIANCE

The Company shall submit to the stock exchange disclosures of related party transactions in the format as specified by the Securities and Exchange Board of India from time to time and publish the same on the website of the Company.

-----*****-----